GOVERNMENT OF INDIA
COAL
LOK SABHA

STARRED QUESTION NO:196
ANSWERED ON:04.03.2003
ROYALTY ON COAL
JAI PRAKASH;T.T.V. DHINAKARAN

Will the Minister of COAL be pleased to state:

(a) the details of the steps being taken by the Government in the direction of creating consensus with regard to on going dispute between the Centre and the States on coal royalty;

(b) the time by which the issue is likely to be solved by the Government;

(c) whether the Government are taking steps for immediate payment of pending royalty on coal and lignite in view of the financial hardships being faced by the States; and

(d) if so, the details thereof?

Answer

MINISTER OF COAL (SHRI KARIYA MUNDA)

(a) to (d): A Statement is laid on the Table of the House.

Statement referred to in parts (a) to (d) of the reply to Lok Sabha Starred Question No.196 for 4.3.2003.

(a)& (b): Coal producing States had been requesting for enhancement in royalty rates on coal as the last enhancement was done in 1994. Consequently, the Central Government enhanced the rates of royalty on coal with effect from 16.8.2002. As per law the next enhancement in royalty rates can only be done after 3 years i.e. after 15.8.2005.

(c)&(d): Royalty payments by the subsidiary coal companies of Coal India Limited (CIL) and the Neyveli Lignite Corporation Limited (NLC) are being made regularly. However, there were small outstanding amounts in case of Bharat Coking Coal Limited (BCCL) and Western Coalfields Limited (WCL), subsidiaries of CIL, as on 31.12.2002, which shall be paid in due course.